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In re the Matter of:) Case No.: 08-360
)
State of New Hampshire Banking)
)
Department,) Order to Show Cause and
) Cease and Desist Order
Petitioner,)
)
and)
)
North Atlantic Financial Corporation,) Consent Order
)
Stephen Louis Silvestro, and David-)
)
James Gonzales,)
)
Respondents)
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I. For purposes of settling the above-referenced matter, the New Hampshire Banking Department (hereinafter referred to as "the Department", Respondent North Atlantic Financial Corporation, Respondent Stephen Louis Silvestro and Respondent David-James Gonzales do hereby enter this Agreement and stipulate to the following:

1. Respondent North Atlantic Financial Corporation was licensed as a Mortgage Broker from July 24, 2006 to the expiration of its license on December 31, 2007.

2. Respondent Stephen Louis Silvestro (hereinafter "Respondent Silvestro") is, or was at all relevant times, Chief Executive Officer, Director and 50% Owner of Respondent North Atlantic Financial.

3. Respondent David-James Gonzales (hereinafter "Respondent Gonzales") is, or was at all relevant times, an Officer, President and 50% Owner of Respondent North Atlantic Financial.

1 4. Each of the above named Respondents agree they were subject to
2 RSA Chapter 397-A.

3 5. The Department and Respondents agree that Respondents were
4 subject to examination and certain reporting requirements as a
5 result of such licensure.

6 6. Each of the above named Respondents admits the allegations of the
7 Staff Petition in this cause.

8 II. For purposes of amicably resolving and closing the above-referenced
9 matter, each of the above named Respondents agrees to the following terms and
10 conditions and the Department accepts the same:

- 11 1. Respondents agree that they have voluntarily entered into this
12 Consent Order without reliance upon any discussions between the
13 Department and Respondents, without promise of a benefit of any kind
14 (other than concessions contained in this Consent Order), and
15 without threats, force, intimidation, or coercion of any kind.
16 Respondents further acknowledge their understanding of the nature of
17 the offenses alleged in the August 25, 2008 Staff Petition,
18 including the penalties provided by law.
- 19 2. Respondents agree to waive any and all rights to a hearing and
20 appeal regarding the allegations set forth in the August 25, 2008
21 Staff Petition.
- 22 3. Respondents agree that all terms of this Consent Order are
23 contractual and none is a mere recital.
- 24 4. Respondent North Atlantic Financial Corporation agrees it is subject
25 to potential administrative penalties of \$15,000.00 (\$45,000 jointly
and severally) as a result of the allegations stated in the August
25, 2008 Staff Petition.
5. Respondent Silvestro agrees he is subject to potential
administrative penalties of \$37,500.00 (\$90,000.00 jointly and
severally) as a result of the allegations stated in the August 25,
2008 Staff Petition.
6. Respondent Gonzales agrees he is subject to potential administrative
penalties of \$37,500.00 (\$90,000.00 jointly and severally) as a
result of the allegations stated in the August 25, 2008 Staff
Petition.

- 1 7. The Department has already received the outstanding sum of \$975.00
- 2 from the above named Respondents.
- 3 8. The Department has already received from the above named Respondents
- 4 the initial documentation to begin the license surrender process.
- 5 9. The Department agrees to accept monies in lieu thereof in the amount
- 6 of \$2,500.00 from Respondent Silvestro and \$2,500.00 from Respondent
- 7 Gonzales, again with joint and several liability of the total
- 8 \$5,000.00 in penalties, all to be paid contemporaneously with the
- 9 execution of this Consent Order.
- 10 10. The remaining eight (8) individual counts against Respondent
- 11 Silvestro and Respondent Gonzales shall be suspended for two
- 12 calendar years as long as Respondents do not engage in the mortgage
- 13 business and do not violate such laws.
- 14 11. Each of the above named Respondents shall no longer be engaged
- 15 directly or indirectly in the mortgage business. If any of the
- 16 above named Respondents does so engage in the mortgage business at
- 17 any point after the effective date of this Order, this agreement
- 18 shall be voided and all unpaid penalties detailed in the August 25,
- 19 2008 Staff Petition and Cease and Desist Order shall be immediately
- 20 due to the Department.
- 21 12. The provisions of this Consent Order shall not limit, estop, or
- 22 otherwise prevent the Department, or any federal or state agency or
- 23 department, from taking any other action affecting Respondents.
- 24 13. Failure to comply with the terms of this Consent Order as related to
- 25 the underlying Cease and Desist Order shall result in imposition of
- further administrative penalties and possible criminal liability.
14. This Consent Order shall become effective immediately upon the date
- of its issuance.
15. The provisions of this Consent Order shall remain effective and
- enforceable except to the extent that, and until such time as, any
- provisions of this Consent Order shall have been modified,
- terminated, suspended, or set aside by the Bank Commissioner or upon
- an order of a court of competent jurisdiction.

This Consent Order represents the resolution of and discharge of any basis for any civil or administrative proceeding by the Department against Respondents for violations arising as a result of or in connection with any actions or omissions by Respondents through the date of this Consent Order as

1 it applies to the allegations in this action; provided, however, this release
2 does not apply to facts not known by the Department or not otherwise provided
3 by Respondents to the Department as of the date of this Consent Order nor to
4 actions for restitution under RSA 383:10-d, or any possible actions related
5 to the examination just completed. The Department expressly reserves its
6 right to pursue any administrative, civil or criminal action or remedy
7 available to it should Respondents breach this Consent Order or in the future
8 violate the Act or rules and orders promulgated thereunder.

9 **WHEREFORE**, based on the foregoing, we have set our hands to this Agreement,
10 with it taking effect upon the signature of Peter C. Hildreth, Bank
11 Commissioner.

12 Recommended this 10th day of September, 2008 by

13 _____ / S /

14 Maryam Torben Desfosses, Staff Attorney, Banking Department

15 Executed this 14th day of September, 2008.

16 _____ / S /

17 Stephen Louis Silvestro, as representative for Respondent North Atlantic
18 Financial Corporation

19 _____ / S /

20 Respondent Stephen Louis Silvestro

21 _____ / S /

22 Respondent David-James Gonzales

23 **SO ORDERED,**

24 Entered this 29th day of September, 2008.

25 _____ / S /

Peter C. Hildreth,
Bank Commissioner